

109TH CONGRESS
2D SESSION

S. 2590

AN ACT

To require full disclosure of all entities and organizations
receiving Federal funds.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Federal Funding Ac-
5 countability and Transparency Act of 2006”.

1 **SEC. 2. FULL DISCLOSURE OF ENTITIES RECEIVING FED-**
 2 **ERAL FUNDING.**

3 (a) DEFINITIONS.—In this section:

4 (1) ENTITY.—The term “entity”—

5 (A) includes, whether for profit or
 6 nonprofit—

7 (i) a corporation;

8 (ii) an association;

9 (iii) a partnership;

10 (iv) a limited liability company;

11 (v) a limited liability partnership;

12 (vi) a sole proprietorship;

13 (vii) any other legal business entity;

14 (viii) any other grantee or contractor

15 that is not excluded by subparagraph (B)

16 or (C); and

17 (ix) any State or locality;

18 (B) on and after January 1, 2009, in-

19 cludes any subcontractor or subgrantee; and

20 (C) does not include—

21 (i) an individual recipient of Federal

22 assistance; or

23 (ii) a Federal employee.

24 (2) FEDERAL AWARD.—The term “Federal

25 award”—

1 (A) means Federal financial assistance and
2 expenditures that include grants, contracts,
3 subgrants, subcontracts, loans, awards, coopera-
4 tive agreements, purchase orders, task orders,
5 delivery orders, and other forms of financial as-
6 sistance;

7 (B) does not include individual trans-
8 actions below \$25,000; and

9 (C) before October 1, 2008, does not in-
10 clude credit card transactions.

11 (3) SEARCHABLE WEBSITE.—The term
12 “searchable website” means a website that allows
13 the public to—

14 (A) search Federal funding by any element
15 required by subsection (b)(1);

16 (B) ascertain through a single search the
17 total amount of Federal funding awarded to an
18 entity, by fiscal year; and

19 (C) download data included in subpara-
20 graph (A) included in the outcome from
21 searches.

22 (b) IN GENERAL.—

23 (1) WEBSITE.—Not later than January 1,
24 2008, the Office of Management and Budget shall,
25 in accordance with this section and section 204 of

1 the E-Government Act of 2002 (Public Law 107–
2 347; 44 U.S.C. 3501 note), ensure the existence and
3 operation of a single searchable website, accessible
4 by the public at no cost to access, that includes for
5 each Federal award—

6 (A) the name of the entity receiving the
7 award;

8 (B) the amount of the award;

9 (C) information on the award including
10 transaction type, funding agency, the North
11 American Industry Classification System code
12 or Catalog of Federal Domestic Assistance
13 number (where applicable), program source,
14 and an award title descriptive of the purpose of
15 each funding action;

16 (D) the location of the entity receiving the
17 award and the primary location of performance
18 under the award, including the city, State, con-
19 gressional district, and country;

20 (E) a unique identifier of the entity receiv-
21 ing the award and of the parent entity of the
22 recipient, should the entity be owned by another
23 entity; and

24 (F) any other relevant information speci-
25 fied by the Office of Management and Budget.

1 (2) SCOPE OF DATA.—The website shall include
2 data for fiscal year 2007, and each fiscal year there-
3 after.

4 (3) DESIGNATION OF AGENCIES.—The Director
5 of the Office of Management and Budget is author-
6 ized to designate one or more Federal agencies to
7 participate in the development, establishment, oper-
8 ation, and support of the single website. In the ini-
9 tial designation, or in subsequent instructions and
10 guidance, the Director may specify the scope of the
11 responsibilities of each such agency.

12 (4) AGENCY RESPONSIBILITIES.—Federal agen-
13 cies shall comply with the instructions and guidance
14 issued by the Director of the Office of Management
15 and Budget under paragraph (3), and shall provide
16 appropriate assistance to the Director upon request,
17 so as to assist the Director in ensuring the existence
18 and operation of the single website.

19 (c) WEBSITE.—The website established under this
20 section—

21 (1) may use as the source of its data the Fed-
22 eral Procurement Data System, Federal Assistance
23 Award Data System, and Grants.gov, if all of these
24 data sources are searchable through the website and
25 can be accessed in a single search;

(2) shall not be considered in compliance if it hyperlinks to the Federal Procurement Data System website, Federal Assistance Award Data System website, Grants.gov website, or other existing websites, so that the information elements required in subsection (b)(1) cannot be searched electronically by field in a single search;

(3) shall provide an opportunity for the public to provide input about the utility of the site and recommendations for improvements; and

(4) shall be updated not later than 30 days after the award of any Federal award requiring a posting.

(d) SUBAWARD DATA.—

(1) PILOT PROGRAM.—

(A) IN GENERAL.—Not later than July 1, 2007, the Director of the Office of Management and Budget shall commence a pilot program to—

(i) test the collection and accession of data about subgrants and subcontracts; and

(ii) determine how to implement a subaward reporting program across the Federal Government, including—

1 (I) a reporting system under
2 which the entity issuing a subgrant or
3 subcontract is responsible for fulfilling
4 the subaward reporting requirement;
5 and

6 (II) a mechanism for collecting
7 and incorporating agency and public
8 feedback on the design and utility of
9 the website.

10 (B) TERMINATION.—The pilot program
11 under subparagraph (A) shall terminate not
12 later than January 1, 2009.

13 (2) REPORTING OF SUBAWARDS.—

14 (A) IN GENERAL.—Based on the pilot pro-
15 gram conducted under paragraph (1), and, ex-
16 cept as provided in subparagraph (B), not later
17 than January 1, 2009, the Director of the Of-
18 fice of Management and Budget—

19 (i) shall ensure that data regarding
20 subawards are disclosed in the same man-
21 ner as data regarding other Federal
22 awards, as required by this Act; and

23 (ii) shall ensure that the method for
24 collecting and distributing data about sub-
25 awards under clause (i)—

1 (I) minimizes burdens imposed
2 on Federal award recipients and
3 subaward recipients;

4 (II) allows Federal award recipi-
5 ents and subaward recipients to allo-
6 cate reasonable costs for the collection
7 and reporting of subaward data as in-
8 direct costs; and

9 (III) establishes cost-effective re-
10 quirements for collecting subaward
11 data under block grants, formula
12 grants, and other types of assistance
13 to State and local governments.

14 (B) EXTENSION OF DEADLINE.—For
15 subaward recipients that receive Federal funds
16 through State, local, or tribal governments, the
17 Director of the Office of Management and
18 Budget may extend the deadline for ensuring
19 that data regarding such subawards are dis-
20 closed in the same manner as data regarding
21 other Federal awards for a period not to exceed
22 18 months, if the Director determines that com-
23 pliance would impose an undue burden on the
24 subaward recipient.

1 (e) EXCEPTION.—Any entity that demonstrates to
 2 the Director of the Office of Management and Budget that
 3 the gross income, from all sources, for such entity did not
 4 exceed \$300,000 in the previous tax year of such entity
 5 shall be exempt from the requirement to report subawards
 6 under subsection (d), until the Director determines that
 7 the imposition of such reporting requirements will not
 8 cause an undue burden on such entities.

9 (f) CONSTRUCTION.—Nothing in this Act shall pro-
 10 hibit the Office of Management and Budget from includ-
 11 ing through the website established under this section ac-
 12 cess to data that is publicly available in any other Federal
 13 database.

14 (g) REPORT.—

15 (1) IN GENERAL.—The Director of the Office of
 16 Management and Budget shall submit to the Com-
 17 mittee on Homeland Security and Governmental Af-
 18 fairs of the Senate and the Committee on Govern-
 19 ment Reform of the House of Representatives an an-
 20 nual report regarding the implementation of the
 21 website established under this section.

22 (2) CONTENTS.—Each report submitted under
 23 paragraph (1) shall include—

24 (A) data regarding the usage and public
 25 feedback on the utility of the site (including

1 recommendations for improving data quality
 2 and collection);

3 (B) an assessment of the reporting burden
 4 placed on Federal award and subaward recipi-
 5 ents; and

6 (C) an explanation of any extension of the
 7 subaward reporting deadline under subsection
 8 (d)(2)(B), if applicable.

9 (3) PUBLICATION.—The Director of the Office
 10 of Management and Budget shall make each report
 11 submitted under paragraph (1) publicly available on
 12 the website established under this section.

13 **SEC. 3. CLASSIFIED INFORMATION.**

14 Nothing in this Act shall require the disclosure of
 15 classified information.

Passed the Senate September 7 (legislative day, Sep-
 tember 6), 2006.

Attest:

Secretary.

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